

# HALF-YEAR RESULTS UPDATE

*24 February 2020*



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## PERFORMANCE HIGHLIGHTS

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Record global case sales of 1,733,000,  
10% higher than last year

13% sales growth in key North  
America region

Record Operating NPAT of \$34.4  
million, 10% higher than last year

Record cashflows from operations of  
\$35.5 million.



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## RECORD OPERATING NPAT

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“Delegat achieved record  
Operating NPAT in the first half of  
the 2020 financial year.”

**JIM DELEGAT**  
EXECUTIVE CHAIRMAN

## CASE SALES AND FX

Case Sales (000's)	Dec 2019 Actual	Dec 2018 Actual	% Change vs 2018
UK, Ireland and Europe	601	469	28%
North America (USA and Canada)	722	640	13%
Australia, NZ and Asia Pacific	410	467	-12%
<b>Total Cases</b>	<b>1,733</b>	<b>1,576</b>	<b>10%</b>

Foreign Currency Rates	Dec 2019 Actual	Dec 2018 Actual	% Change vs 2018
GB£	0.5054	0.5138	2%
AU\$	0.9393	0.9301	-1%
US\$	0.6519	0.6787	4%
CA\$	0.8651	0.8789	2%

## SALES REVENUE GROWTH ANALYSIS

NZ\$ millions	Dec 2019 Actual	Dec 2018 Actual	% Change vs 2018
<b>Operating Revenue</b>	<b>154.1</b>	<b>141.4</b>	<b>9%</b>
<b><u>Revenue movements breakdown:</u></b>			
Volume			10%
Value			-1%
Foreign Exchange		1%	
Country/Product Mix		-2%	

\*The financial statements for 31 December 2018 have been restated following the adoption of NZ IFRS 16: Leases on 1 July 2019.

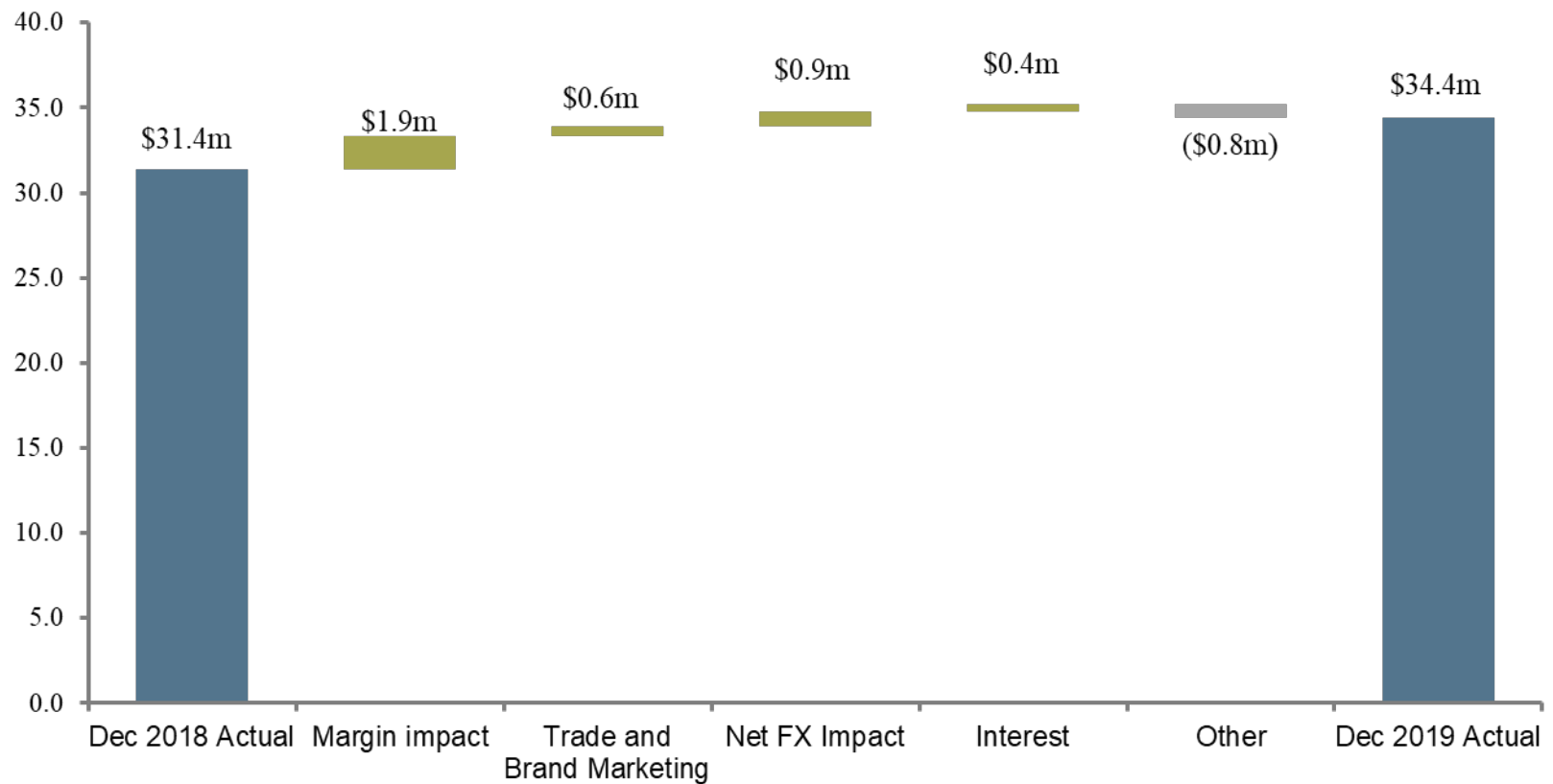
## OPERATING PERFORMANCE

NZ\$ millions	Dec 2019 Actual	Dec 2018 Actual Restated*	% Change vs 2018
<b>Sales Revenue</b>	<b>154.1</b>	<b>141.4</b>	<b>9%</b>
Operating Revenue	156.7	143.0	10%
<b>Operating Gross Profit</b>	<b>82.6</b>	<b>78.3</b>	<b>5%</b>
Operating Gross Margin	53%	55%	
Expenses (excl Promotion and Marketing)	(24.3)	(22.7)	-7%
Promotion and Marketing	(4.8)	(5.6)	14%
<b>Operating EBIT</b>	<b>53.5</b>	<b>50.0</b>	<b>7%</b>
Operating EBIT % of Revenue	34%	35%	
Interest and Tax	(19.1)	(18.6)	-3%
<b>Operating NPAT</b>	<b>34.4</b>	<b>31.4</b>	<b>10%</b>
Operating NPAT % of Revenue	22%	22%	
<b>Operating EBITDA</b>	<b>64.2</b>	<b>60.1</b>	<b>7%</b>
Operating EBITDA % of Revenue	41%	42%	

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## OPERATING PROFIT MOVEMENT – LAST YEAR

*NZ \$millions*



## IMPACT OF 'FAIR VALUE' ADJUSTMENTS

NZ\$ millions	Dec 2019 Actual	Dec 2018 Actual Restated*	% Change vs 2018
<b>Operating NPAT</b>	<b>34.4</b>	<b>31.4</b>	<b>10%</b>
Operating NPAT % of Revenue	22%	22%	
Biological Produce (Grapes) <sup>1</sup>	(8.7)	(9.8)	11%
Derivative Instruments	2.4	1.3	85%
<b>Total Fair Value Items</b>	<b>(6.3)</b>	<b>(8.5)</b>	<b>26%</b>
Less: Tax	1.8	2.4	-25%
<b>Fair Value Items after Tax</b>	<b>(4.5)</b>	<b>(6.1)</b>	<b>26%</b>
<b>Reported NPAT</b>	<b>29.9</b>	<b>25.3</b>	<b>18%</b>

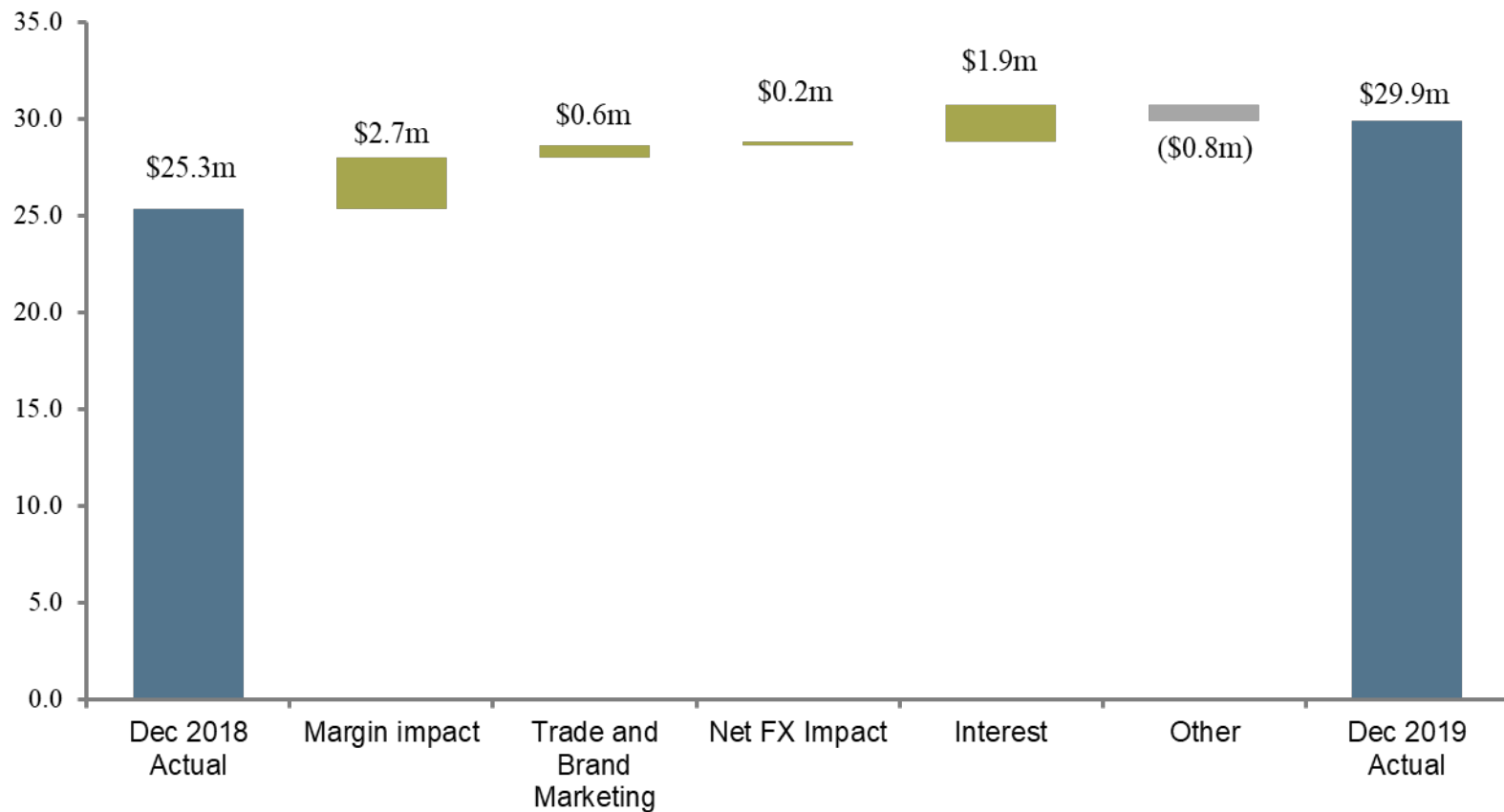
1. Biological Produce (Grapes) is the difference between market value paid for grapes versus the cost to grow grapes. The harvest provision is reversed and only recognised when the finished wine is sold.

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## REPORTED PROFIT MOVEMENT – LAST YEAR

*NZ \$millions*



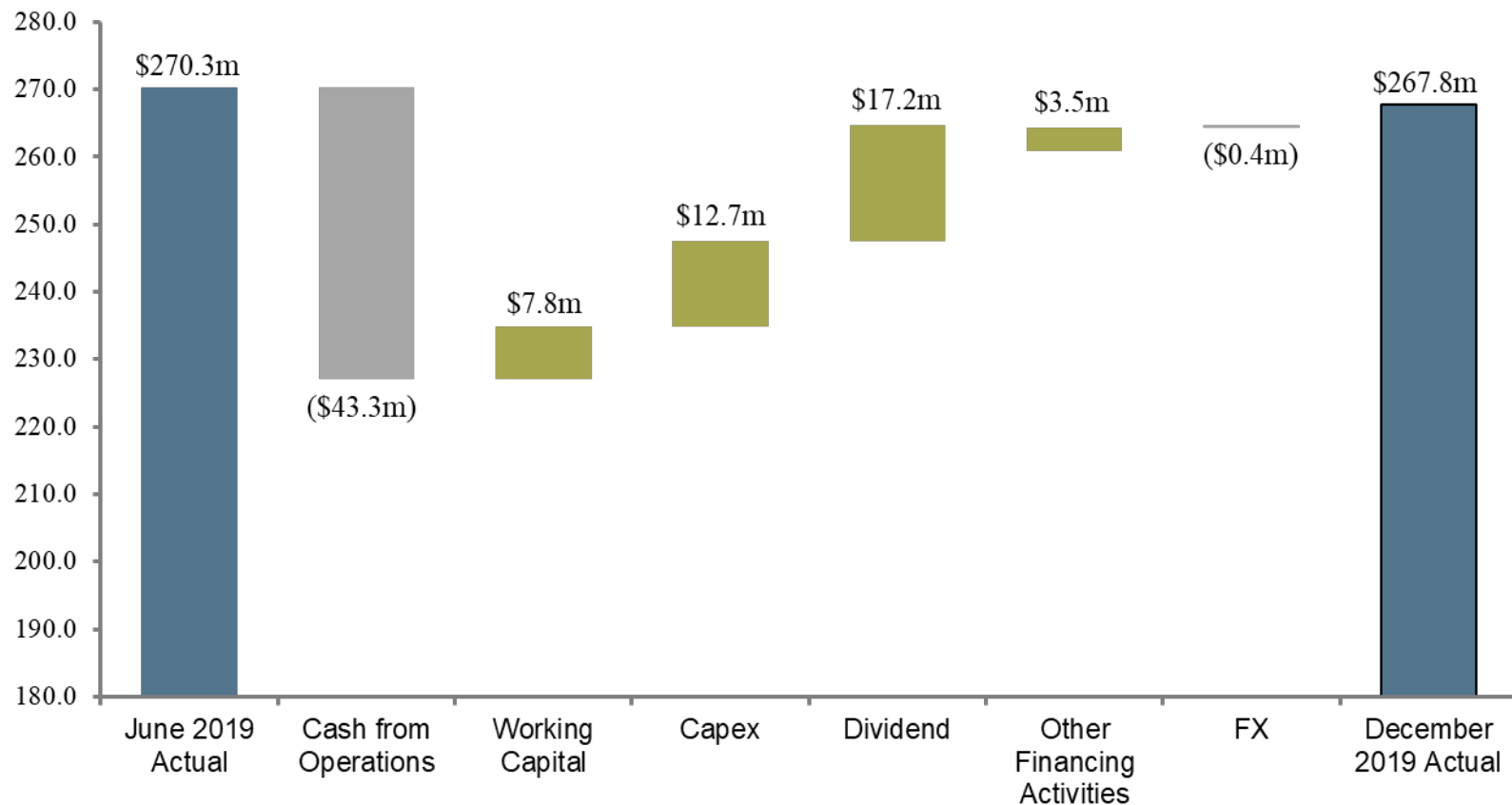
## BALANCE SHEET SUMMARY

NZ\$ millions	Dec 2019 Actual	Dec 2018 Actual Restated*	% Change vs 2018
<b><u>Assets</u></b>			
Current Assets	197.6	193.2	2%
Fixed Assets	593.5	587.7	1%
<b>Total Assets</b>	<b>791.1</b>	<b>780.9</b>	<b>1%</b>
<b><u>Liabilities</u></b>			
Current Liabilities	35.0	34.3	2%
Lease Liability	80.3	84.5	-5%
Deferred Tax Liabilities	33.9	31.1	9%
Net Debt	267.8	291.5	-8%
Other Non-current Liabilities	4.8	4.3	12%
<b>Total Liabilities</b>	<b>421.8</b>	<b>445.7</b>	<b>-5%</b>
<b><u>Equity</u></b>			
Shareholders' Equity	369.3	335.2	10%
<b>Total Equity</b>	<b>369.3</b>	<b>335.2</b>	<b>10%</b>
<b>Total Liabilities and Equity</b>	<b>791.1</b>	<b>780.9</b>	<b>1%</b>

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## NET DEBT MOVEMENT – JUNE 19 TO DEC 19

*NZ \$millions*



## NET DEBT OVERVIEW

NZ\$ millions	Dec 2019 Actual	Dec 2018 Actual Restated*	% Change vs 2018
<b><u>Funding</u></b>			
Operating Cash Flow	35.5	23.2	53%
Net Debt	267.8	291.5	8%
<b><u>Key Ratios</u></b>			
Interest Cover	9.39	7.94	18%
Equity / (Equity + Net Debt) %	58.0%	53.5%	8%
Senior Debt Ratio	2.60	3.05	15%

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## FULL YEAR OUTLOOK

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The Group is on target to achieve global case sales for the full year of 3,240,000, up 8% on last year.

Based on prevailing exchange rates, the Group forecasts a 2020 Operating Profit result in line with market consensus of \$52.4 million.



— EST 1947 —  
**DELEGAT**

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*Thank you*

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